



Executive Offsite: Initiative Management

**Strategic Business Integration
Defense Finance and Accounting
Service**
November 5, 2009

EXECUTIVE OFFSITE

NOVEMBER 4 - 6,

2009



Purpose and Agenda

Purpose: Introduce the Initiative Management process as an enabler and a tool for achieving the Agency's Strategy

- **Agenda**

- ✓ **Re-organization of Transformation to Strategic Business Integration (SBI)**
- ✓ **Evolution of the Initiative Management Guide (IMG)**
- ✓ **Master Initiatives List and the Strategic Portfolio**
- ✓ **Strategic Portfolio Initiative Definitions**
- ✓ **Managing the Master Initiatives List**

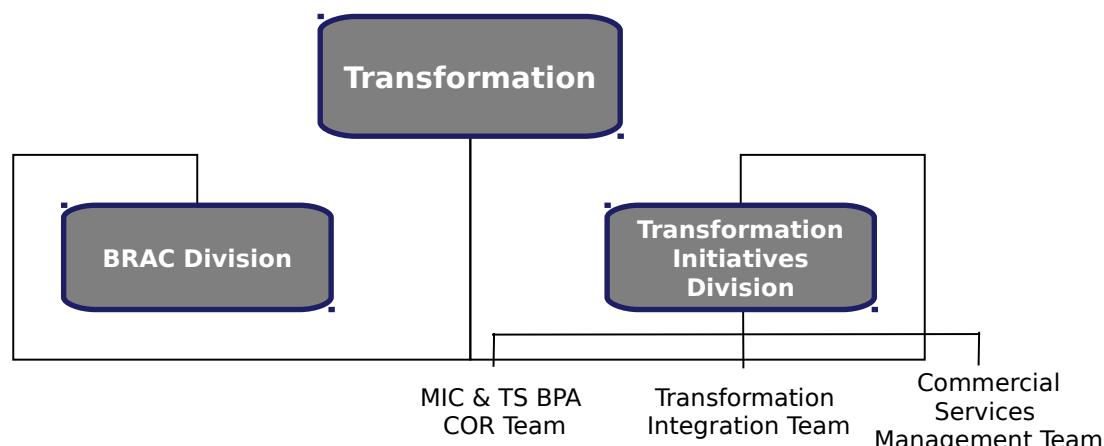
- **Bottom Line**

- ✓ **SBI will play a key role in sustaining and monitoring the Agency's Strategic Portfolio**
- ✓ **In addition to the Strategic Portfolio, the Master Initiatives List (MIL) will include projects and activities from the Agency's full portfolio of Initiatives**

Evolution to Strategic Business Integration (SBI)

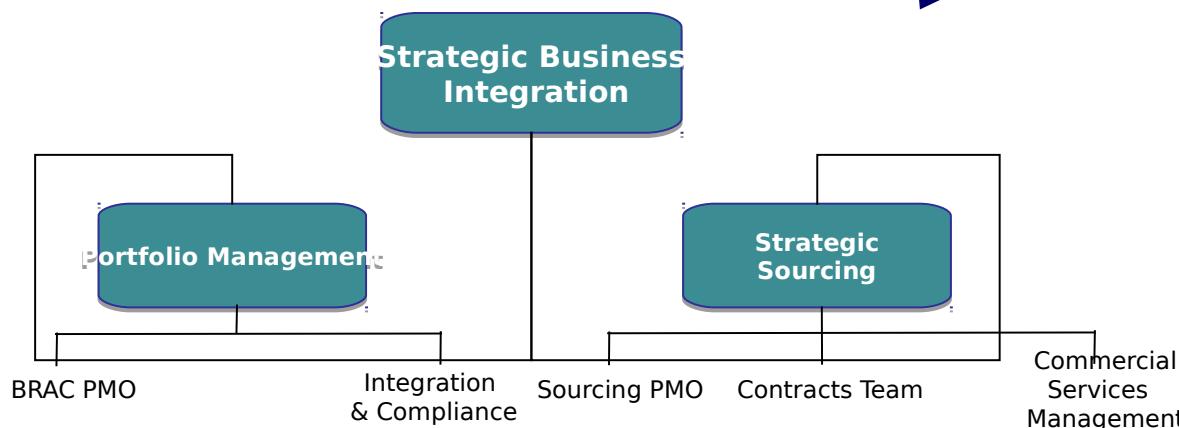
ORIGINAL FOCUS:

- Monitoring and reporting on BRAC workload migrations
- Improving rigor applied to project management activities (Transformation portfolio)
- Defining Transformation Initiative outcomes and objectives



EVOLVING FOCUS:

- Contribute to new projects, as required, with cost, schedule, and performance tracking capabilities
- Posture to expand SBI's portfolio management and governance process to other high-impact/high-visibility initiatives
- Define roles and responsibilities of change efforts
- Serve as the focal point for DFAS strategic sourcing efforts

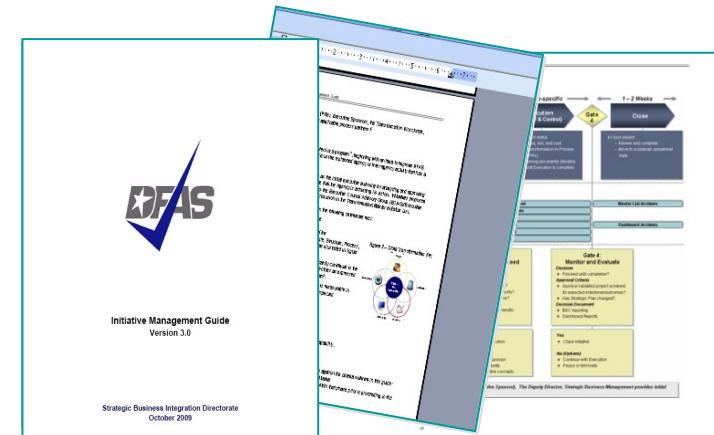


Initiative Management Guide (IMG)

The IMG establishes the governance process for defining and managing DFAS Initiatives

- Defines the roles, responsibilities, and disciplined approach to manage and monitor key Agency Initiatives
- Fosters the alignment and achievement of the DFAS Strategic Plan by communicating the:
 - ✓ Selection criteria for inclusion in the DFAS Initiative Portfolio
 - ✓ Requirements for entry into the Integrated Master Schedule (IMS)
 - ✓ Required process for implementing the Initiative Management Process

Initiative Management Guide



Initiative Management Process



◆ Gates serve as checkpoints to ensure Initiatives complete key tasks outlined in each phase, determine readiness to advance to next phase, and ensure alignment to DFAS Strategic Plan

IMG Version 3.0 Enhancements

● New tools and additional guidance in version 3.0:

- ✓ Governance process (based on strategy efforts to date)
- ✓ SMART Objectives and Outcomes Framework
- ✓ Portfolio Classification
- ✓ Enterprise Change Management Approach
- ✓ Initiative Integration Roles and Responsibilities, Tools, and Matrices
- ✓ Initiative Closure Report Guidelines

Focus of upgrades: Governance, Outcomes, Portfolio Classification, Change Management Applied to Initiatives, and Initiative Integration

Key IMG Governance Roles

The IMG identifies governance roles for selecting and managing Programs and Projects on the Master Initiatives List (MIL)

● Executive Council (EC)

- ✓ Approve and assign new Initiatives (Strategic Portfolio, MIL, Agency Portfolio)
- ✓ Approve Agency Strategy
- ✓ Identify and monitor High Impact and High Visibility Initiatives on the MIL

● Strategic Council

- ✓ Update and maintain Agency vision, mission, and strategy
- ✓ Identify Strategic Gaps and recommend performance measures and targets
- ✓ Identify and recommend new improvement efforts; monitor and support existing efforts
- ✓ Supported by Strategic Committees

● Executive Sponsor/Program Manager

- ✓ Document Initiative Scope and Objectives
- ✓ Plan and manage Initiative execution; report status and risks as needed

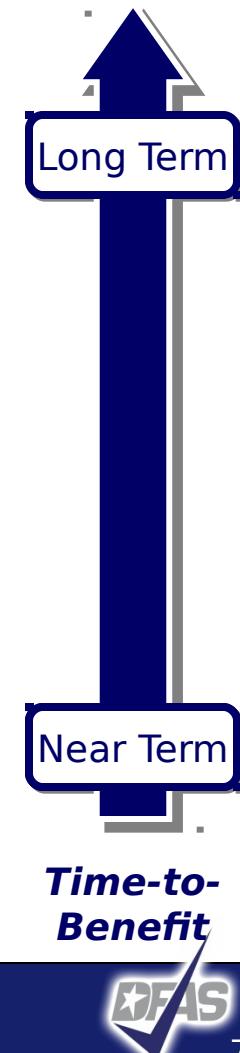
● Strategic Business Integration (SBI)

- ✓ Develop and maintain MIL integration and reporting standards and tools
- ✓ Provide Initiative metrics; analyze and communicate performance and risks to Agency outcomes

Agency Portfolio Initiative Types

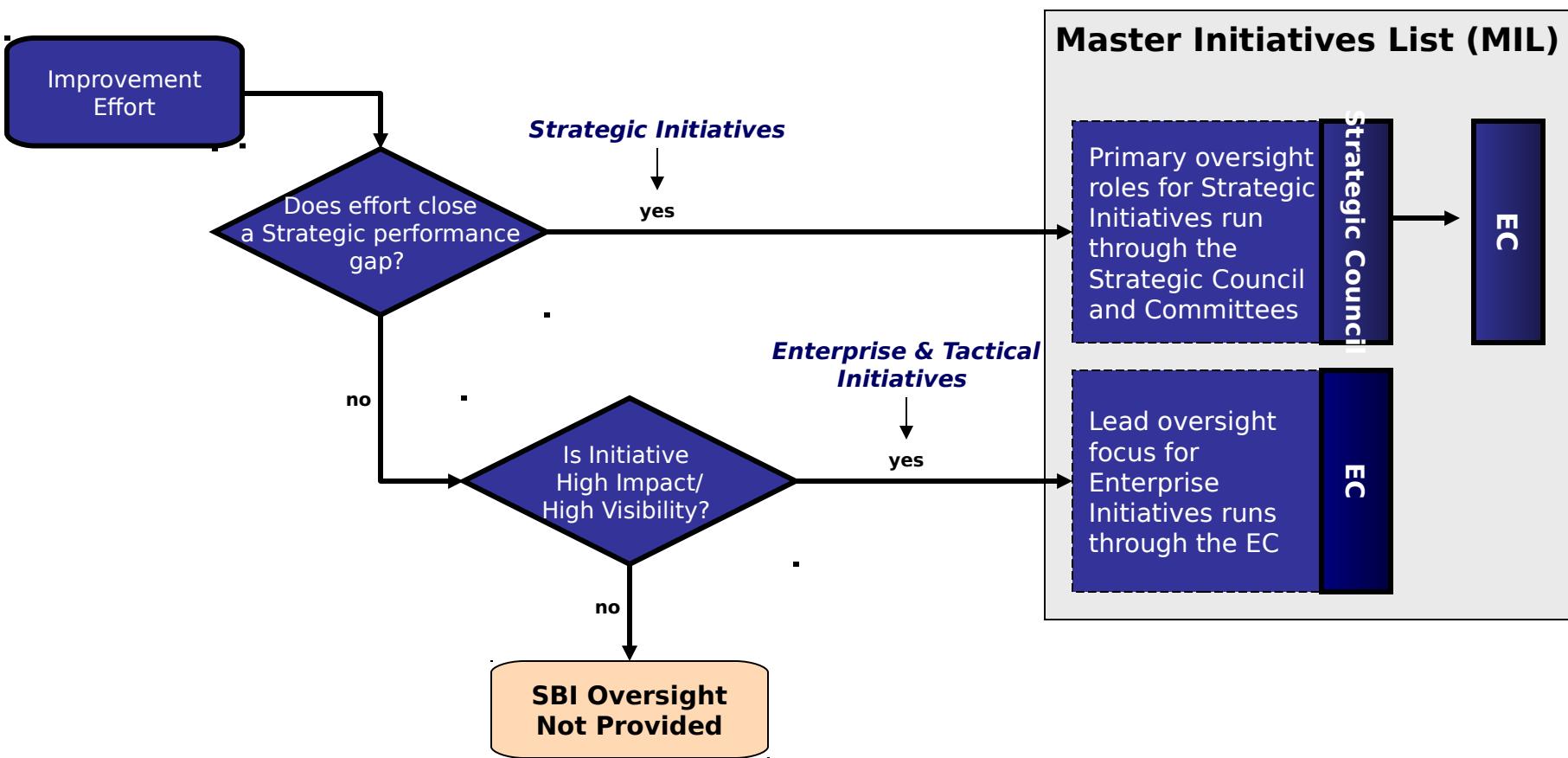
The Agency Portfolio of Initiatives includes three types of efforts:
Strategic Initiatives, Enterprise Initiatives, and Tactical
Projects/Activities

- **Strategic Initiatives:**
 - ✓ The “Critical Few” - aligned to Agency Strategic Gaps
 - ✓ Composed of one or more clearly defined Programs (e.g. centrally-managed collection of related projects)
 - ✓ Chartered to achieve Agency Strategic Theme-level outcomes
- **Enterprise Initiatives:**
 - ✓ Major, multi-point improvement Programs (impact multiple sites, customers, or business functions)
 - ✓ May be focused to achieve one or more Strategic Objectives
 - ✓ Directly aligned to one Strategic Perspective/Committee - may support multiple Strategic Initiatives, Themes or Perspectives
- **Tactical Projects:**
 - ✓ Agency improvement efforts (Projects)
 - ✓ Generally aligned to Agency Strategy/Vision or required to sustain Operations
 - ✓ Clearly defined near-term objectives/ outcomes
 - ✓ Enabling Initiatives

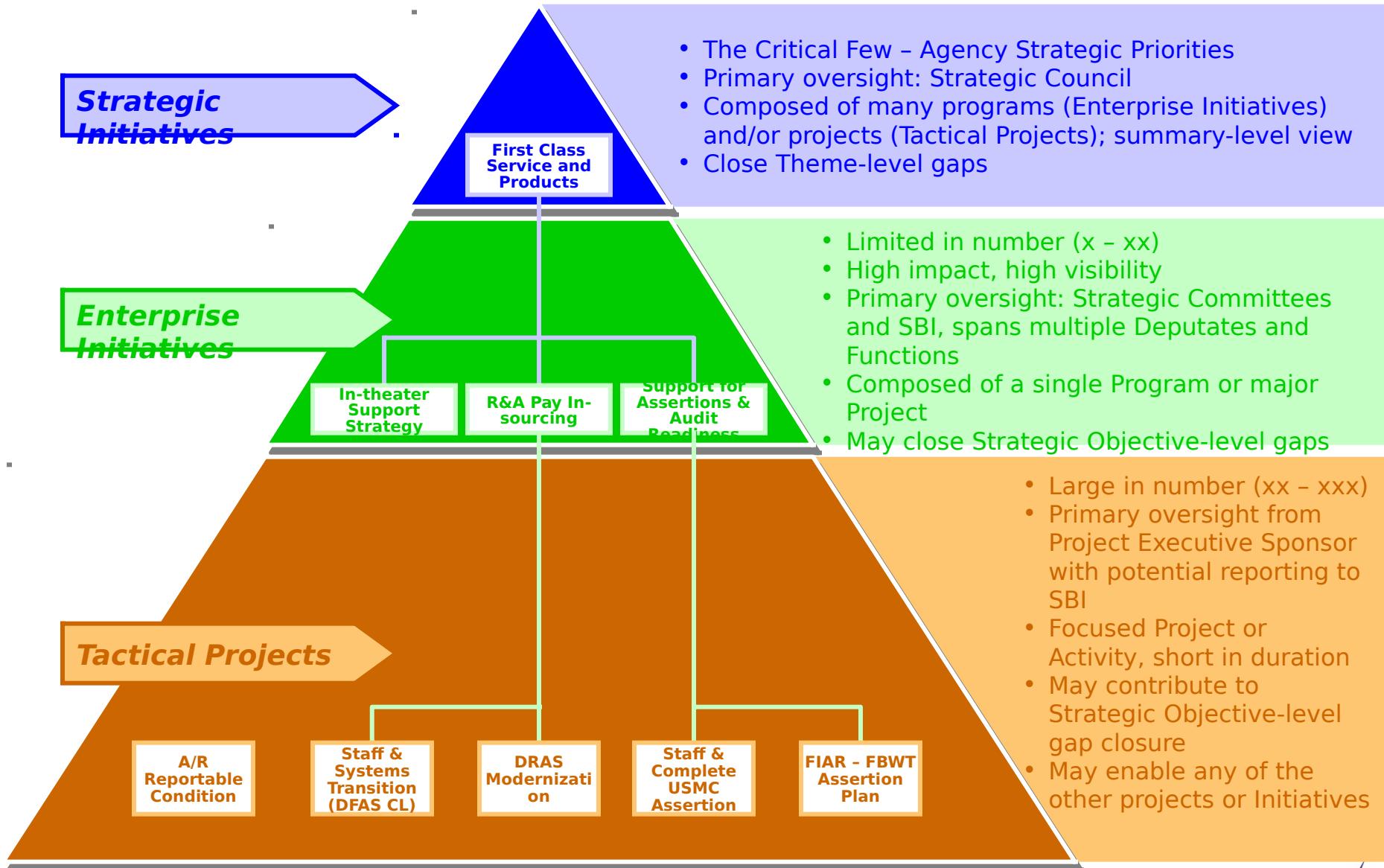


Selecting the Master List of Initiatives

The MIL combines the complete Strategic Portfolio with “High Visibility” Programs and Projects designated by the Executive Council (EC)



Strategic Portfolio Alignment



Managing the Strategic Portfolio



Defense Finance and Accounting Service
Strategic Business Integration Dashboard



- Monitor and support the current MIL (through January 2010)
- Incorporate new Strategic Initiatives into the MIL and prepare for monitoring
 - ✓ Conduct baseline assessment of Initiative readiness
 - ✓ Identify necessary improvements
- Provide support to new Strategic Initiatives
 - ✓ Identify Scope / SMART Objectives
 - ✓ Support charter, schedule, cost/BCA, and risk development
- Begin Initiative-level reporting for new Initiatives
 - ✓ Schedule/IMS
 - ✓ Cost
 - ✓ Risk
- Implement strategic reporting against Initiative portfolio
 - ✓ Portfolio Strategic Performance (forecast)
 - ✓ Risk to achieving Strategic Objectives
 - ✓ Strategic Budget Execution (STRATEX)

Key Takeaways

The Strategic Portfolio and the MIL represent the Agency's top priorities

- ✓ Current portfolio being refined
- ✓ New Portfolio of Strategic Initiatives being developed - SBI will serve as the Portfolio Advocate

The behavior and decisions of all DFAS leaders impact the successful achievement of our Strategy. We all must:

- ✓ Ensure that new efforts have clearly defined outcomes/benefits that align to our Agency Strategy
- ✓ Support the ongoing adoption of the IMG and the Agency Governance roles for Initiatives - “IMG for Everyone”
- ✓ Support achievement of Initiative key metrics: Earned Value Management (EVM), achievement of Agency outcomes, and risk mitigation

Breakout Session Introduction

Thursday, 5 November:

Breakout #3: Strategic Initiative Portfolio

(2 hours: 1:00 - 3:00)

Session Goals

- Review Portfolio of Strategic, Enterprise and Tactical Initiatives
- Demonstrate how Strategic Initiatives Close Theme Gaps
- Understand Roles and Responsibilities for Implementing Initiatives

Feedback from the Breakout Sessions will be captured and handed off to the Strategic Council/Committees.